


CITY OF RIALTO

AGENDA REPORT

For the City Council/RDA Meeting of January 25, 2011

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| TO: | Honorable Mayor and City Council Members Honorable Chair and Board Members |
| APPROVAL: | Henry T. Garcia, City Administrator/Executive Director |
| FROM: | Robb Steel, Redevelopment/Economic Development Director  |
| SUBJECT: | Consideration of a Cooperation Agreement by and between the City of Rialto and the Redevelopment Agency of the City of Rialto Authorizing the Agency to Reimburse the City for Capital Projects undertaken within or of benefit to the Merged Agua Mansa, Central Business District, Gateway and Industrial Project Area. |
| DATE: | January 10, 2011 |

BACKGROUND:

On January 11, 2011 the Redevelopment Agency of the City of Rialto adopted a Five Year Implementation Plan ("Plan") for the Merged Agua Mansa, Central Business District, Gateway and Industrial Project Area ("Project Area"). The Plan enumerates several priority goals and objectives, including the following:

1. Encouraging commercial development on various sites, including the Fire Station 202 Site, the Gateway Commercial Site, Pepper Avenue, and Renaissance Rialto among others. These commercial developments will be facilitated by constructing public improvements, including the Riverside/I-10 interchange (Phases I/II), the Pepper Avenue Extension and related improvements to produce finished sites.
2. Create or retain jobs, by encouraging commercial and industrial development on various sites including Baseline/Linden, Baseline/Locust, the Walnut Avenue Industrial Park Project, the Ayala Industrial Park, the Eco-Industrial Park, and Renaissance Rialto. All of these projects will require substantial public improvements, including regional drainage infrastructure.
3. Revitalize Downtown Rialto by developing the KDF Mixed Use Project, completing the Metrolink Parking Expansion, reconstructing Trickleside Alley and rehabilitating commercial structures.
4. Revitalizing Foothill Boulevard, by constructing public improvements to support intensified commercial and residential development and incentivizing private property owners to develop or rehabilitate their properties.

5. Redeveloping the Rialto Municipal Airport, by relocating displaced tenants, demolishing the existing structures, remediating environmental contamination and constructing public improvements to support the Renaissance Rialto Specific Plan.
6. Constructing various quality of life infrastructure, including Fergusson Park Improvements, Fire Station 202, Library Expansion and Rails to Trails.
7. Developing affordable housing projects, including TELACU 2, TELACU 3, KDF Crossroads, Citrus Grove Phase II and West Jackson Street.

ANALYSIS/DISCUSSION:

The Agency has been actively engaged in the development of various projects that were identified in the Plan. To implement the projects and programs, the Agency has made financial commitments based upon the receipt of tax increment revenues over the life of the Redevelopment Plan. Historically, the Agency has partnered with the City to implement certain public improvements within the Project Area or in an area deemed to provide a benefit to the Project Area. By entering into this Agreement, the Agency is pledging to repay the City for improvements specified in Exhibit A of the respective resolutions of the City and Agency.

For public improvements within or contiguous to the Project Area, Section 33445 of the Health and Safety Code requires that the City Council make findings that the improvements are of benefit to the Project Area by helping to eliminate blight within the Project Area, that no other reasonable means of financing the installation and construction of the improvements are available to the community, and that Agency's payment to City of an amount equal to the City Contribution pursuant to this Cooperation Agreement is consistent with the Implementation Plan adopted by the Agency pursuant to Section 33490 of the Redevelopment Law.

For public improvements that are outside (and not contiguous to) the Project Area, Section 33445.1 of the Health and Safety Code requires that the City Council make findings that the improvements are of primary benefit to the Project Area, that the improvements benefit the Project Area by helping to eliminate blight within the Project Area, or will directly assist in the provision of housing for low- or moderate-income persons, and that no other reasonable means of financing the improvements are available to the community, including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds, or bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982.

The required findings are recited in the resolutions of approval.

ENVIRONMENTAL IMPACT:

The findings required by CEQA are contained in the respective resolutions.

LEGAL REVIEW:

The City Attorney/Agency Counsel has reviewed and approved the staff report and resolutions. The Cooperation Agreement was drafted by Agency Special Counsel, Vanessa Locklin from Stradling Yocca Carlson and Rauth.

City Attorney/Agency Counsel

FINANCIAL IMPACT:

The Cooperation Agreement obligates the Agency to reimburse the City for all costs incurred related to the construction of the cited public improvements. The current estimated cost of all such improvements is \$265,720,000. The reimbursements will occur over an extended period of time as resources are available to the Agency.

Chief Financial Officer

RECOMMENDATIONS:

1. Adopt Resolution of the Redevelopment Agency of the City of Rialto approving the Cooperation and Public Improvements Agreement by and between the Redevelopment Agency of the City of Rialto and the City of Rialto.
2. Adopt Resolution of the City Council approving the Cooperation and Public Improvements Agreement by and between the Redevelopment Agency of the City of Rialto and the City of Rialto.

Attachments:

| | |
|-----------|---|
| Exhibit A | Cooperation and Public Improvements Agreement |
| Exhibit B | City Council Resolution Approving Cooperation and Public Improvements Agreement |
| Exhibit C | Agency Resolution Approving Cooperation and Public Improvements Agreement |

Report prepared by Robb R. Steel, Economic Development Director

EXHIBIT A
COOPERATION AND PUBLIC IMPROVEMENTS AGREEMENT

COOPERATION AND PUBLIC IMPROVEMENTS AGREEMENT

This **COOPERATION AND PUBLIC IMPROVEMENTS AGREEMENT** ("Agreement") is entered into this ____th day of _____, 2011, by and between the **CITY OF RIALTO**, a California municipal corporation ("City") and the **REDEVELOPMENT AGENCY OF THE CITY OF RIALTO**, a public body, corporate and politic ("Agency").

RECITALS

A. The Agency is a community redevelopment agency organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL") and has been authorized to transact business and exercise the power of a community redevelopment agency pursuant to action the City Council of the City of Rialto ("City Council").

B. The Agency is engaged in activities necessary and appropriate to carry out the Redevelopment Plan ("Redevelopment Plan") for the Agency's Merged Agua Mansa, Central Business District, Gateway and Industrial Project ("Project Area") that was adopted by the City Council by Ordinance No. 1333 on July 2, 2002 and thereafter amended by Ordinance No. 1348 on March 2, 2004 and by Ordinance No. 1370 on April 5, 2005.

C. Section 33445 of the CRL provides, in part, that notwithstanding Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to the project area, if the legislative body determines all of the following:

"(1) That the acquisition of land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the project area by helping to eliminate blight within the project area or providing housing for low- or moderate-income persons.

(2) That no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community.

(3) That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490."

D. Section 33445.1 of the CRL provides, in part, that notwithstanding Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located outside and not contiguous to the project area, but is located within the community, if the legislative body finds, based on substantial evidence in the record, all of the following:

(1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of primary benefit to the project area.

(2) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned benefits the project area by helping to eliminate blight within the project area, or will directly assist in the provision of housing for low- or moderate-income persons.

(3) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community, including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds, or bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code). In determining whether other means of financing are feasible, the legislative body may take into account any relevant factors, including, but not limited to:

(A) Legal factors, such as the eligibility of the improvements for funding under the governing statutes.

(B) Economic factors, such as prevailing interest rates and market conditions.

(C) Political factors, such as the priority of commitments of other public funding sources, the ability or willingness of property owners or taxpayers to bear the cost of any special assessments, taxes, or other charges, and the likelihood of obtaining voter approval, if required.

E. The City and the Agency desire to cause the implementation of the construction and installation of certain public improvements described in the "Description of Public Improvements" attached hereto as Exhibit A, which is incorporated herein by this reference ("Public Improvements"). The Public Improvements are or will be owned by the City and located within the Project Area and/or the City.

F. It is a policy of the Agency to support the provision of public improvements that are of benefit to the Project Area; in particular, the Public Improvements are listed and intended public improvements included in the Redevelopment Plan and the Agency's current five-year implementation plan adopted pursuant to Section 33490 of the CRL.

G. Pursuant to Section 33220 of the CRL, certain public bodies, including the City may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. The programs and activities associated with the Public Improvements include but are not limited to design, planning, preparation of construction bid documents, financial analysis, financing and new construction. The Agency desires the assistance and cooperation of the City to enable the Agency to carry out the implementation and completion of the Public Improvements in accordance with the objectives and purposes of the Redevelopment Plan for the Project Area. The City agrees to (1) aid the Agency and cooperate with the Agency to expeditiously implement the Public Improvements in accordance with the approved plans and in furtherance of the Redevelopment Plan and the Agency's 2010-2014 Implementation Plan for the Project Area and (2) undertake and complete all actions necessary or appropriate to ensure that the objectives thereof are fulfilled within the time of effectiveness of the Project Area. The Redevelopment Plan, implementation plans, and related official records of the Agency are incorporated herein by reference.

H. The City Council and the governing board of the Agency have determined that, subject to the making of appropriate findings pursuant to Section 33445 and/or Section 33445.1 of the CRL (and such other statutory provisions as may be applicable), the Agency and City agree to have the City provide the Public Improvements on behalf of the Agency, with certain costs therefor to be borne by the Agency on the terms and conditions herein set forth; such improvements as are to be provided pursuant to this Agreement, as more fully described in Exhibit A hereto.

I. The City and the Agency desire to enter into this Agreement:

(1) To set forth the scope and description of the Public Improvements that will be paid for in whole or in part with Agency funds in furtherance of the goals, objectives, and functions of the Agency under the Community Redevelopment Law; and

(2) To provide that the Agency will encumber, allocate, make available, and be responsible for Two Hundred Sixty-Five Million Seven Hundred Twenty Thousand Dollars (\$265,720,000) ("Agency Amount") of the cost of the Public Improvements (including land acquisition, design, construction and installation costs).

J. The acquisition of land for and the construction and installation of the Public Improvements will be of benefit to the Project Area and will help to eliminate blight within the Project Area by: constructing public infrastructure improvements and community facilities which are necessary for effective redevelopment and for attracting private investment to the Project Area thereby creating employment and commercial opportunities, all pursuant to the CRL, the Redevelopment Plan, and the Agency's 2010-2014 Implementation Plan for the Project Area.

K. The commitment of tax increment hereunder shall constitute an obligation to make payments authorized and incurred pursuant to Section 33445 and other applicable statutes. The obligations set forth in this Agreement will be contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

L. The foregoing Recitals are true and correct and constitute a substantive part of this Agreement.

NOW THEREFORE, in consideration of the above Recitals and all of the covenants and conditions set forth in this Cooperation and Public Improvements Agreement, the Agency and the City agree as follows:

1. **Agency Contribution.** Agency agrees to pay the Agency Amount to and toward the City for the cost of installation and construction of the Public Improvements. The Agency Amount shall be paid to the City from all available tax increment received by the Agency that is not otherwise allocated by the Agency towards repayment of other debts and obligations of the Agency, until the Agency Amount is paid in full to the City.

2. **City's Use of Agency Funds.** City agrees to use the funds provided by the Agency pursuant to this Agreement to pay part of the costs for the construction and installation of the Public Improvements, including, without limitation, certain hard and soft construction costs including land acquisition (as necessary), design costs, and the installation of improvements consistent with the requirements of the CRL and all in accordance with the general scope outlined in Exhibit A.

3. **Indebtedness.** The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency for the purposes of carrying out public improvements, which indebtedness shall be payable from tax increment funds generated from the Project Area pursuant to Section 33670, *et seq.*, of the CRL. Notwithstanding anything to the contrary set forth in this Agreement, the Agency's payment obligation hereunder is not, and shall not be deemed to be, a pledge of tax increment or any other revenues of the Agency. The indebtedness of Agency under this Agreement shall not impair the rights of the holder or holders of any existing bonds, notes or other instruments of indebtedness (all referred to herein as "indebtedness") of the Agency incurred or issued to finance the Project Area, including without limitation any pledge of tax increment revenues from the Project Area to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by the Agency with respect to the Project Area.

4. **City Acceptance.** The City accepts any funds remitted by the Agency pursuant to this Agreement and shall devote such funds to completion of the Public Improvements by reimbursing expenditures of the City, or using such funds to make City expenditures, or using such funds to pay third party(ies) performing work required to carry out and complete the Public Improvements, including without limitation any joint project or contract between the City and any other public agency with respect to the Public Improvements.

5. **General Provisions.**

(a) Agency Approvals and Actions. The Agency shall maintain the authority to implement this Agreement through the Executive Director (or his duly authorized representative). The Executive Director shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of the Agency so long as such actions do not add to the costs incurred or to be incurred by the Agency as specified herein. Such approvals, interpretations, waivers and/or amendments may include extensions of time to perform. All material and/or substantive interpretations, waivers, or amendments shall require consideration and action by the Agency Board.

(b) City Approvals and Actions. The City shall maintain the authority to implement this Agreement through the City Administrator (or his or her duly authorized representative). The City Administrator shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of the City so long as such actions do not add to the costs incurred or to be incurred by the City as specified herein. Such approvals, interpretations, waivers and/or amendments may include extensions of time to perform. All material and/or substantive interpretations, waivers, or amendments shall require consideration and action by the City Council.

(c) Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

(d) Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

(e) No Third Party Beneficiaries. There are no third party beneficiaries of this Agreement. The terms and provisions of this Agreement, including City's and Agency's duties and obligations hereunder, are for the sole and exclusive benefit of the Agency and City and not for the benefit of any other person or entity.

(f) Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

(g) Liability and Indemnification. In contemplation of the provisions of California Government Code Section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code Section 895, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses that may be incurred by such other party solely by reason of Government Code Section 895.2.

(h) Default. If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party. All notices of defaults shall clearly indicate a notice of default under this Agreement.

(i) Binding on Successors. This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

(j) Right to Terminate. The City shall have the right to terminate this Agreement in its sole determination upon reasonable cause. In the event the City terminates this Agreement, Agency shall immediately pay the entire portion of the Agency Amount attributable to any and all expenditures made by the City in furtherance of the construction and installation of the Public Improvements.

(k) Term. Unless earlier terminated by the City pursuant to Section 5(j), this Agreement shall remain in effect until the City has completed the Public Improvements identified and as amended, from time to time, and Agency has paid the entire Agency Amount to the City.

[Signature blocks on following page.]

IN WITNESS WHEREOF, the City and the Agency have executed this Cooperation and Public Improvements Agreement as of the date first set forth above.

CITY:

CITY OF RIALTO, a California municipal corporation

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

AGENCY:

REDEVELOPMENT AGENCY OF THE CITY OF RIALTO, a public body, corporate and politic

By: _____
Agency Chairperson

ATTEST:

Agency Secretary

APPROVED AS TO FORM:
STRADLING YOCCA CARLSON & RAUTH

Agency Special Counsel

Exhibit A
Description of Public Improvements

| Project Name | 2010-2014 Plan Goal | Description | Estimated Cost |
|-------------------------------|---------------------|--|----------------|
| Relocate Airport Tenants | Airport | Relocate all current tenants at the Rialto Municipal Airport in accordance with redevelopment law, including payment of moving costs, reestablishment expenses, loss of goodwill payments, and potentially construction of replacement facilities. | \$16,000,000 |
| Demolish Airport Improvements | Airport | Demolish all hangars, runways/taxiways, asphalt, roads and related structures. | \$5,100,000 |
| Remediate Airport Site | Airport | Remediate all environmental contamination in accordance with the work plan approved by the RWQCB. | \$4,700,000 |
| Alder Avenue Improvements | Airport | Acquire ROW and construct street improvements, including landscape and utilities on Alder Avenue from north of Baseline Road to the 210 Freeway and including soft costs and contingencies. | \$5,500,000 |
| Ayala Avenue Improvements | Airport | Acquire ROW and construct street improvements, including landscape and utilities on Ayala Avenue from Baseline Road to the 210 Freeway and including soft costs and contingencies. | \$5,000,000 |
| Baseline Road Improvements | Airport | Acquire ROW and construct street improvements, including storm drainage, curb, gutter, sidewalk, sewer, dry utilities, landscape and dry utility undergrounding on Baseline Road from the City limits to Cactus Avenue and including soft costs and contingencies. | \$25,000,000 |
| Easton Avenue Improvements | Airport | Install dry utilities to serve Project. | \$800,000 |
| Laurel Avenue Improvements | Airport | Acquire ROW and construct full-width street improvements, including landscape and utilities from Walnut Avenue to Renaissance Parkway and including soft costs and contingencies. | \$2,500,000 |
| Leiske Avenue Improvements | Airport | Acquire ROW and construct full-width street improvements, including landscape and utilities from Ayala Drive to Renaissance Parkway and including soft costs and contingencies. | \$3,100,000 |
| Linden Avenue Improvements | Airport | Acquire ROW and construct full-width street improvements, including landscape and utilities from Miro Way to Renaissance Parkway and including soft costs and contingencies. | \$5,200,000 |

Exhibit A
Description of Public Improvements

| Project Name | 2010-2014 Plan Goal | Description | Estimated Cost |
|-------------------------------------|---------------------|--|----------------|
| Locust Avenue Improvements | Airport | Acquire ROW and construct full-width street improvements, including landscape and utilities from Miro Way to Renaissance Parkway and including soft costs and contingencies. | \$4,200,000 |
| Miro Way Improvements | Airport | Acquire ROW and construct full width street improvements from Ayala Drive to Alder Avenue. | \$5,800,000 |
| Renaissance Parkway Improvements | Airport | Acquire ROW and construct full-width street improvements, including landscape and utilities from Alder Avenue to Ayala Drive and including soft costs and contingencies. | \$23,000,000 |
| Walnut Street Improvements | Airport | Acquire ROW and construct full-width street improvements, including landscape and utilities from Alder Avenue to Locust Avenue and including soft costs and contingencies. | \$3,000,000 |
| Off-Site Water Lines | Airport | Construct various water lines to serve the Project. | \$1,000,000 |
| Off-Site Water Reservoir | Airport | Acquire land and construct off-site water reservoir to serve Project. | \$10,000,000 |
| Local Storm Drainage | Airport | Construct drainage structures to deliver water from the Project to the Cactus Basins. | \$15,000,000 |
| Relocate/Underground 66 kv lines | Airport | Relocate and/or underground SCE facilities in Locust Avenue. | \$4,400,000 |
| Riverside/I-10 Interchange Phase II | Commercial | Widen Riverside Avenue across the UPRR tracks. | \$40,000,000 |
| Pepper Avenue Extension | Commercial | Extend Pepper Avenue from its current terminus to the 210 Freeway a distance of approximately 2,500 feet, including ROW acquisition, habitat mitigation, design, and construction. | \$15,000,000 |
| Fire Station 202 Redevelopment | Commercial | Construct all on and off-site improvements to improve a 3 acre site for development of three restaurants. | \$2,400,000 |
| Wal-Mart Dev Agreement | Commercial | Construction of a master plan storm drain facility from the east side of Riverside Avenue, westerly on San Bernardino | \$2,000,000 |

Exhibit A
Description of Public Improvements

| Project Name | 2010-2014 Plan Goal | Description | Estimated Cost |
|-------------------------------|------------------------|---|----------------|
| | | Avenue and then southerly on Willow Avenue a total distance of approximately 2,700 lf connecting to the Rialto Channel. Installation of a traffic signal and required local drainage improvements at the intersection of Valley Boulevard and Willow Avenue. Widening of Riverside and San Bernardino Avenue. These improvements are required under the terms of a development agreement between the City and Wal-Mart. | |
| Gateway Redevelopment Project | Commercial | Complete remediation of WDJL property. Complete site entitlements and construction of street improvements on Riverside and Willow Avenues to facilitate development of a 200,000 retail center. On 18 acres. | \$1,000,000 |
| Baseline Road/Linden | Employment/ Airport | Construction of public street improvements on Linden Avenue to support development of a 375,000 square foot distribution facility in accordance with a development agreement between the City and Panattoni Development. | \$320,000 |
| Baseline Road/Locust | Employment/ Airport | Construction of public street improvements on Linden Avenue to support development of a 375,000 square foot distribution facility in accordance with a development agreement between the City and Panattoni Development. | \$1,800,000 |
| Walnut Avenue Industrial Park | Employment/ Airport | Construction of off site utilities and public street improvements on Alder Avenue and to support development of a 125,000 square foot business park. | \$1,000,000 |
| Ayala Industrial Park | Employment/ Airport | Construction of utilities and public street improvements on Ayala Drive and Miro Way to support development of a 300,000 square foot business park. | \$3,000,000 |
| Trickleside Alley | Downtown | Construct public alleyway improvements in downtown Rialto between Orange Avenue and Riverside Avenue, and including demolition of the structure at 136 S. Riverside. | \$1,000,000 |
| Rails to Trails | Public Improvements | Construction of the first phase of the recreational trail from Cactus Avenue on the east to the Rialto City limits on the west. | \$3,000,000 |

Exhibit A
Description of Public Improvements

| Project Name | 2010-2014 Plan Goal | Description | Estimated Cost |
|-----------------------------|----------------------------------|---|----------------------|
| Fire Station 205 | Public Improvements | Construction of a 10,000 square foot fire station and 6,000 square foot fire training facility to serve the Agua Mansa Area of the City, on a 5 acre site previously acquired by the City and Agency. | \$10,000,000 |
| Cactus Basin 3 | Airport/Public Improvements | Construct the first phase of the Cactus Basin regional storm drain improvements in cooperation with the County FCD. | \$3,500,000 |
| Cactus Basin 4 & 5 | Airport/Public Improvements | Construct the second phase of the Cactus Basin regional storm drain improvements in cooperation with the County FCD. | \$22,000,000 |
| Rialto Channel Crossings | Airport/Public Improvements | Construct three priority road crossings as part of the master plan of drainage for the Rialto Channel System, including Foothill, Merrill, and Randall. | \$1,800,000 |
| Rialto Channel | Airport/Public Improvements | Construct the Rialto Channel System from the I-10 Freeway to Cameron Way as part of the Rialto Channel System. | \$4,400,000 |
| Rialto Channel | Airport/Public Improvements | Construct the Rialto Channel System to its ultimate configuration, and complete the remaining road crossings. | \$10,200,000 |
| Metrolink Parking Expansion | Downtown/ Public Improvements | Acquire ROW and construct 250 additional parking spaces to serve the Metrolink Regional Transportation Network. | \$4,000,000 |
| GRAND TOTAL | | | \$265,720,000 |

EXHIBIT B
RESOLUTION OF THE REDEVELOPMENT AGENCY
APPROVING THE
COOPERATION AND PUBLIC IMPROVEMENTS AGREEMENT

1 **RDA RESOLUTION NO. _____**

2 **A RESOLUTION OF THE REDEVELOPMENT AGENCY**
3 **OF THE CITY OF RIALTO APPROVING A**
4 **COOPERATION AND PUBLIC IMPROVEMENTS**
5 **AGREEMENT BY AND BETWEEN THE**
6 **REDEVELOPMENT AGENCY OF THE CITY OF RIALTO**
7 **AND THE CITY OF RIALTO, AND MAKING CERTAIN**
8 **FINDINGS IN CONNECTION THEREWITH**

9 **WHEREAS**, the Redevelopment Agency of the City of Rialto (“Agency”) is a
10 community redevelopment agency organized and existing under the California Community
11 Redevelopment Law, Health and Safety Code Section 33000, et seq. (“CRL”) and has been
12 authorized to transact business and exercise the power of a community redevelopment agency
13 pursuant to action of the City Council of the City of Rialto; and

14 **WHEREAS**, the Agency is engaged in activities necessary to carry out and implement
15 the Redevelopment Plan for the Agency’s Merged Agua Mansa, Central Business District,
16 Gateway and Industrial Redevelopment Project (“Project Area”); and

17 **WHEREAS**, Section 33445 of the CRL provides, in part, that notwithstanding
18 Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the
19 value of the land for and the cost of the installation and construction of any building, facility,
20 structure, or other improvement that is publicly owned and is located inside or contiguous to the
21 project area, if the legislative body determines all of the following:

22
23 “(1) That the acquisition of land or the installation or construction of the
24 buildings, facilities, structures, or other improvements that are publicly owned are of benefit to
25 the project area by helping to eliminate blight within the project area or providing housing for
26 low- or moderate-income persons.

1 “(2) That no other reasonable means of financing the acquisition of the land or
2 installation or construction of the buildings, facilities, structures, or other improvements that are
3 publicly owned, are available to the community.

4
5 “(3) That the payment of funds for the acquisition of land or the cost of buildings,
6 facilities, structures, or other improvements that are publicly owned is consistent with the
7 implementation plan adopted pursuant to Section 33490.”

8
9 **WHEREAS**, Section 33445.1 of the CRL provides, in part, that notwithstanding
10 Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the
11 value of the land for and the cost of the installation and construction of any building, facility,
12 structure, or other improvement that is publicly owned and is located outside and not contiguous
13 to the project area, but is located within the community, if the legislative body finds, based on
14 substantial evidence in the record, all of the following:

15
16 “(1) The acquisition of the land or the installation or construction of the buildings,
17 facilities, structures, or other improvements that are publicly owned are of primary benefit to the
18 project area.

19
20 “(2) The acquisition of the land or the installation or construction of the buildings,
21 facilities, structures, or other improvements that are publicly owned benefits the project area by
22 helping to eliminate blight within the project area, or will directly assist in the provision of
23 housing for low- or moderate-income persons.

24
25 “(3) No other reasonable means of financing the acquisition of the land or the
26 installation or construction of the buildings, facilities, structures, or other improvements that are
27 publicly owned, are available to the community, including, but not limited to, general obligation
28 bonds, revenue bonds, special assessment bonds, or bonds issued pursuant to the Mello-Roos

1 Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of
2 Division 2 of Title 5 of the Government Code). In determining whether other means of financing
3 are feasible, the legislative body may take into account any relevant factors, including, but not
4 limited to: (A) Legal factors, such as the eligibility of the improvements for funding under the
5 governing statutes. (B) Economic factors, such as prevailing interest rates and market
6 conditions. (C) Political factors, such as the priority of commitments of other public funding
7 sources, the ability or willingness of property owners or taxpayers to bear the cost of any special
8 assessments, taxes, or other charges, and the likelihood of obtaining voter approval, if required.”
9

10 **WHEREAS**, the Agency and the City of Rialto (“City”) desire to enter into a
11 Cooperation and Public Improvements Agreement (“Cooperation Agreement”) to provide for the
12 City’s acquisition of land for and construction and installation of certain public improvements
13 described in the “Description of Public Improvements” attached to the Cooperation Agreement
14 as Exhibit A (“Public Improvements”); and
15

16 **WHEREAS**, the Public Improvements are or will be owned by the City and located
17 within the Project Area and/or the City; and
18

19 **WHEREAS**, it is a policy of the Agency to support the provision of public
20 improvements that are of benefit to the Project Area; in particular, the Public Improvements are
21 listed and intended public improvements included in the Redevelopment Plan and the Agency’s
22 five-year Implementation Plan (July 1, 2009 through June 30, 2014), adopted pursuant to CRL
23 Section 33490 (“Implementation Plan”); and
24

25 **WHEREAS**, pursuant to Section 33220 of the CRL, certain public bodies, including the
26 City, may aid and cooperate in the planning, undertaking, construction, or operation of
27 redevelopment projects; and
28

1 **WHEREAS**, the Agency and City further desire to provide in the Cooperation
2 Agreement for the Agency to pay the amount of Two Hundred Sixty-Five Million Seven
3 Hundred Twenty Thousand Dollars (\$265,720,000) (“Agency Amount”) to the City, which
4 constitutes all or part of the cost to acquire the land for and construct and install the Public
5 Improvements.

6
7 **NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF**
8 **RIALTO DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

9
10 **1. Findings.**

11
12 **A.** The purpose of the Cooperation Agreement is to effectuate the Redevelopment
13 Plan for the Project Area in the City of Rialto, California, by facilitating the construction of the
14 Public Improvements to provide essential public facilities and services that benefit the
15 Project Area and the surrounding neighborhoods.

16
17 **B.** The Agency Board has duly considered all terms and conditions of the
18 Cooperation Agreement and believes that the Cooperation Agreement is in the best interests of
19 the Agency and City and the health, safety, and welfare of their residents, and in accord with the
20 public purposes and provisions of applicable State and local laws and the Agency’s five-year
21 Implementation Plan.

22
23 **C.** The Agency Board hereby approves the Agency’s funding of the cost of land
24 acquisition for and construction of the Public Improvements pursuant to Health and Safety Code
25 Sections 33445 and 33445.1 and finds that the Public Improvements will benefit the Project
26 Area, will assist in the elimination of blight, will support the development of low and moderate
27 income housing, and that no other reasonable means of financing the Public Improvements is
28 available to the City, for the reasons set forth in Section 2 below.

1 **2. Sections 33445 and 33445.1 Finding and Determinations.**

2
3 A. In accordance with the requirements of Health and Safety Code Section 33445,
4 the Agency Board hereby finds, determines and declares that:

5
6 (i) That the acquisition of land or the installation or construction of the Public
7 Improvements are of benefit to the Project Area by helping to eliminate blight within the Project
8 Area or providing housing for low- or moderate-income persons, by: (1) providing modern,
9 essential public facilities and essential public infrastructure, specifically the Public
10 Improvements described in Exhibit A to the Cooperation Agreement, and enhanced public
11 facilities and services that will benefit the Project Area and surrounding neighborhoods, as
12 identified in the Redevelopment Plan; (2) promoting the preservation and enhancement of the
13 residential areas within the Project Area in accordance with the goals and objectives of the
14 Redevelopment Plan; (3) promoting the expansion of the Project Area's commercial base and
15 local employment opportunities in accordance with the goals and objectives of the
16 Redevelopment Plan; (4) encouraging the development of additional commercial development
17 and services within the Project Area; (5) upgrading the physical appearance of the Project Area;
18 (6) encouraging investment in the Project Area by the private sector; and (7) supporting the
19 construction of affordable housing within the community.

20
21 (ii) That no other reasonable means of financing the Public Improvements is
22 available to the community. The prudent budget constraints of the City prevent the City from
23 financing the proposed construction of the Public Improvements by any other means.
24 Insufficient moneys of the City are currently available to pay for the cost of designing,
25 constructing and equipping the Public Improvements. Traditional methods of financing the
26 construction of the Public Improvements, such as the issuance of general obligation bonds, are
27 unavailable as a practical matter because of the extraordinary majority voter approval
28 requirements of two-thirds of the electorate. Additionally, other financing mechanisms are either

1 unavailable due to practical or legal constraints or are committed to the development of other
2 required public improvements within the City. The City's General Fund is committed to
3 providing other essential public services and facilities and is not available to pay for the Public
4 Improvements.

5
6 (iii) That the payment of funds for the acquisition of land or the installation or
7 construction of the Public Improvements is consistent with the Agency's Implementation Plan,
8 which provides for the following goals, objectives, projects and improvements within and
9 benefiting the Project Area:

10
11 (a) Encouraging commercial development on various sites, including
12 the Fire Station 202 Site, the Gateway Commercial Site, Pepper Avenue, and Renaissance Rialto
13 among others. These commercial developments will be facilitated by constructing public
14 improvements, including the Riverside/I-10 interchange (Phases I/II), the Pepper Avenue
15 Extension, and related improvements to produce finished sites.

16
17 (b) Create or retain jobs, by encouraging commercial and industrial
18 development on various sites including Baseline/Linden, Baseline/Locust, the Walnut Avenue
19 Industrial Park Project, the Ayala Industrial Park, the Eco-Industrial Park, and Renaissance
20 Rialto. All of these projects will require substantial public improvements, including regional
21 drainage infrastructure.

22
23 (c) Revitalize Downtown Rialto by developing the KDF Mixed Use
24 Project, completing the Metrolink Parking Expansion, reconstructing Trickleside Alley, and
25 rehabilitating commercial structures.

1 (d) Revitalizing Foothill Boulevard, by constructing public
2 improvements to support intensified commercial and residential development and incentivizing
3 private property owners to develop or rehabilitate their properties.

4
5 (e) Redeveloping the Rialto Municipal Airport, by relocating
6 displaced tenants, demolishing the existing structures, remediating environmental contamination,
7 and constructing public improvements to support the Renaissance Rialto Specific Plan.

8
9 (f) Constructing various quality of life infrastructure, including
10 Fergusson Park Improvements, Fire Station 202, Library Expansion, and Rails to Trails.

11
12 (g) Developing affordable housing projects, including the TELACU 2,
13 TELACU 3, KDF Crossroads, Citrus Grove Phase II, and West Jackson Street projects.

14
15 Specifically, the payment of funds for the acquisition of land and
16 installation and construction of the Public Improvements is consistent with the Agency's
17 Implementation Plan by: (1) providing for the construction of the Public Improvements that are
18 contemplated in the Implementation Plan; (2) providing essential, modern public infrastructure
19 improvements and community facilities; (3) encouraging employment opportunities through
20 environmental and economic improvements resulting from the construction of the Public
21 Improvements and the resulting third party redevelopment activities in the community,
22 (4) encouraging private investment in the Project Area by providing adequate public
23 infrastructure, facilities and services, (5) by supporting the development of housing for low and
24 moderate income persons through providing needed infrastructure improvements in the
25 community, and (6) supporting viable commercial and retail uses that will provide necessary
26 commercial services and create new job opportunities for low and moderate income persons, as
27 well as provide new tax revenues for the City to provide essential services.

28

1 **B.** In accordance with the requirements of Health and Safety Code Section 33445.1,
2 the Agency Board hereby finds, determines and declares that:

3
4 (i) The acquisition of the land or the installation or construction of the Public
5 Improvements are of primary benefit to the Project Area. The Public Improvements include road
6 improvements, traffic signals, hazardous materials remediation projects, water facilities
7 including water lines and reservoirs, storm drain improvements, flood control improvements,
8 public parking facilities, relocation and undergrounding of utilities, and open space
9 improvements, all of which will serve and benefit the residents and businesses located in the
10 Project Area.

11
12 (ii) The acquisition of the land or the installation or construction of the Public
13 Improvements benefits the Project Area by helping to eliminate blight within the Project Area,
14 and will directly assist in the provision of housing for low- or moderate-income persons by:
15 (1) providing modern, essential public facilities and essential public infrastructure, specifically
16 the Public Improvements described in Exhibit A to the Cooperation Agreement, and enhanced
17 public facilities and services that will benefit the Project Area and surrounding neighborhoods, as
18 identified in the Redevelopment Plan; (2) promoting the preservation and enhancement of the
19 residential areas within the Project Area in accordance with the goals and objectives of the
20 Redevelopment Plan; (3) promoting the expansion of the Project Area's commercial base and
21 local employment opportunities in accordance with the goals and objectives of the
22 Redevelopment Plan; (4) encouraging the development of additional commercial development
23 and services within the Project Area; (5) upgrading the physical appearance of the Project Area;
24 (6) encouraging investment in the Project Area by the private sector; and (7) supporting the
25 construction of affordable housing within the community.

26
27 (iii) No other reasonable means of financing the acquisition of the land or the
28 installation or construction of the Public Improvements are available to the community,

1 including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds,
2 or bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5
3 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code). In
4 determining whether other means of financing are feasible, the legislative body may take into
5 account any relevant factors, including, but not limited to:

6
7 (A) Legal factors, such as the eligibility of the Public Improvements for
8 funding under the governing statutes.

9
10 (B) Economic factors, such as prevailing interest rates and market
11 conditions.

12
13 (C) Political factors, such as the priority of commitments of other public
14 funding sources, the ability or willingness of property owners or taxpayers to bear the cost of any
15 special assessments, taxes, or other charges, and the likelihood of obtaining voter approval, if
16 required.

17
18 This finding is supported by the following facts: The City does not have
19 sufficient funds available within its various development impact fee accounts, including Park
20 Development, Fire Development, Police Development, Local Drainage, General Facilities,
21 Sewer Collection/Capacity, Water Distribution, and Transportation Facilities Fee Account or the
22 General Fund to pay for the construction of the Public Improvements at this time and the City
23 does not anticipate having sufficient funds to complete the Public Improvements in the
24 foreseeable future. Given the current economic climate and service demands, it is not feasible
25 for the City to allocate General Funds for the Public Improvements. The City is unlikely to be
26 able to issue bonds for the Public Improvements, due to the extraordinary majority voter
27 approval requirements of two-thirds of the electorate; in the current economic and political
28 climate a ballot measure for approval of bonds to fund the Public Improvements is unlikely to be

1 successful due to the public's negative perception of municipal debt and inability to shoulder a
2 higher tax burden. As such, the only feasible method available to the City is for the Agency to
3 fund the largest share of the cost to construct and install the Public Improvements.

4
5 **3. Approval of Cooperation Agreement with the City.** The Agency Board hereby
6 approves the Cooperation and Public Improvements Agreement by and between the City of
7 Rialto and the Redevelopment Agency of the City of Rialto which provides for the acquisition of
8 land for and the construction and installation of the Public Improvements in the City and
9 Agency's payment of the Agency Amount to City, in substantially the form attached hereto as
10 Attachment No. 1, with such changes as may be mutually agreed upon by the respective
11 administrators of the parties. The Executive Director and/or the Chairperson of the Agency are
12 hereby authorized to execute the Cooperation Agreement on behalf of the Agency. A copy of
13 the final Cooperation Agreement when fully executed shall be placed on file in the Office of the
14 Agency Secretary.

15
16 **4. Executive Director's Authority.** The Executive Director (or his designee), is hereby
17 authorized, on behalf of the Agency, to take all actions necessary and appropriate to carry out
18 and implement the Cooperation Agreement and to administer the Agency's obligations,
19 responsibilities and duties to be performed under the Cooperation Agreement.

20
21 **5. Environmental Assessment.** The Agency Board's approval of the Cooperation
22 Agreement is not a "project" within the meaning of the California Environmental Quality Act,
23 Public Resources Code Section 21000, *et seq.* and the implementing regulations set forth at
24 Title 14, Cal. Code Regs. Section 15000, *et seq.* ("CEQA"), pursuant to Title 14 Cal. Code Regs.
25 Section 15378(b)(4), because the Cooperation Agreement constitutes a government fiscal
26 activity that does not involve any commitment to any specific project which may result in a
27 potentially significant physical impact on the environment. Prior to approving any specific
28

1 portion of the Public Improvements, the City will evaluate such project in accordance with all
2 applicable requirements of CEQA.

3
4 **6. Certification.** The Agency Secretary shall certify the adoption of this Resolution.

5
6 **PASSED APPROVED AND ADOPTED** this ____ day of _____, 2011.

7
8 _____
GRACE VARGAS, Agency Chairperson

9 **ATTEST:**

10
11 _____
BARBARA McGEE, Agency Secretary

12 **APPROVED AS TO FORM:**

13
14 By: _____
15 Jimmy L. Gutierrez
Agency Counsel

I, Barbara McGee, Secretary of the Redevelopment Agency of the City of Rialto, do hereby certify that the foregoing RDA Resolution No.____ was duly passed and adopted at a regular meeting of the Redevelopment Agency of the City of Rialto held on the ____ day of _____, 2011.

Upon motion of Agency Board Member _____, seconded by Agency Board Member _____, the foregoing RDA Resolution No. _____ was duly passed and adopted.

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the
City of Rialto this _____ day of _____, 2011.

BARBARA McGEE, Agency Secretary

1 **ATTACHMENT NO. 1 TO THE RESOLUTION**
2 **COOPERATION AND PUBLIC IMPROVEMENTS AGREEMENT**
3 **[To be attached.]**

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**EXHIBIT C
RESOLUTION OF THE CITY COUNCIL
APPROVING THE
COOPERATION AND PUBLIC IMPROVEMENTS AGREEMENT**

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1 “(2) That no other reasonable means of financing the acquisition of the land or
2 installation or construction of the buildings, facilities, structures, or other improvements that are
3 publicly owned, are available to the community.

4
5 “(3) That the payment of funds for the acquisition of land or the cost of buildings,
6 facilities, structures, or other improvements that are publicly owned is consistent with the
7 implementation plan adopted pursuant to Section 33490.”

8
9 **WHEREAS**, Section 33445.1 of the CRL provides, in part, that notwithstanding
10 Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the
11 value of the land for and the cost of the installation and construction of any building, facility,
12 structure, or other improvement that is publicly owned and is located outside and not contiguous
13 to the project area, but is located within the community, if the legislative body finds, based on
14 substantial evidence in the record, all of the following:

15
16 “(1) The acquisition of the land or the installation or construction of the buildings,
17 facilities, structures, or other improvements that are publicly owned are of primary benefit to the
18 project area.

19
20 “(2) The acquisition of the land or the installation or construction of the buildings,
21 facilities, structures, or other improvements that are publicly owned benefits the project area by
22 helping to eliminate blight within the project area, or will directly assist in the provision of
23 housing for low- or moderate-income persons.

24
25 “(3) No other reasonable means of financing the acquisition of the land or the
26 installation or construction of the buildings, facilities, structures, or other improvements that are
27 publicly owned, are available to the community, including, but not limited to, general obligation
28 bonds, revenue bonds, special assessment bonds, or bonds issued pursuant to the Mello-Roos

1 Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of
2 Division 2 of Title 5 of the Government Code). In determining whether other means of financing
3 are feasible, the legislative body may take into account any relevant factors, including, but not
4 limited to: (A) Legal factors, such as the eligibility of the improvements for funding under the
5 governing statutes. (B) Economic factors, such as prevailing interest rates and market
6 conditions. (C) Political factors, such as the priority of commitments of other public funding
7 sources, the ability or willingness of property owners or taxpayers to bear the cost of any special
8 assessments, taxes, or other charges, and the likelihood of obtaining voter approval, if required.”
9

10 **WHEREAS**, the Agency and the City of Rialto (“City”) desire to enter into a
11 Cooperation and Public Improvements Agreement (“Cooperation Agreement”) to provide for the
12 City’s acquisition of land for and construction and installation of certain public improvements
13 described in the “Description of Public Improvements” attached to the Cooperation Agreement
14 as Exhibit A (“Public Improvements”); and
15

16 **WHEREAS**, the Public Improvements are or will be owned by the City and located
17 within to the Project Area and/or the City; and
18

19 **WHEREAS**, it is a policy of the Agency to support the provision of public
20 improvements that are of benefit to the Project Area; in particular, the Public Improvements are
21 listed and intended public improvements included in the Redevelopment Plan and the Agency’s
22 five-year Implementation Plan (July 1, 2009 through June 30, 2014), adopted pursuant to CRL
23 Section 33490 (“Implementation Plan”); and
24

25 **WHEREAS**, pursuant to Section 33220 of the CRL, certain public bodies, including the
26 City, may aid and cooperate in the planning, undertaking, construction, or operation of
27 redevelopment projects; and
28

1 **WHEREAS**, the Agency and City further desire to provide in the Cooperation
2 Agreement for the Agency to pay the amount of Two Hundred Sixty-Five Million Seven
3 Hundred Twenty Thousand Dollars (\$265,720,000) ("Agency Amount") to the City, which
4 constitutes all or part of the cost to acquire the land for and construct and install the Public
5 Improvements.

6
7 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES**
8 **HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

9
10 1. **Findings.**

11
12 A. The purpose of the Cooperation Agreement is to effectuate the Redevelopment
13 Plan for the Project Area in the City of Rialto, California, by facilitating the construction of the
14 Public Improvements to provide essential public facilities and services that benefit the
15 Project Area and the surrounding neighborhoods.

16
17 B. The City Council has duly considered all terms and conditions of the Cooperation
18 Agreement and believes that the Cooperation Agreement is in the best interests of the Agency
19 and City and the health, safety, and welfare of their residents, and in accord with the public
20 purposes and provisions of applicable State and local laws and the Agency's five-year
21 Implementation Plan.

22
23 C. The City hereby approves the Agency's funding of the cost of land acquisition for
24 and construction of the Public Improvements pursuant to Health and Safety Code Sections 33445
25 and 33445.1 and finds that the Public Improvements will benefit the Project Area, will assist in
26 the elimination of blight, will support the development of low and moderate income housing, and
27 that no other reasonable means of financing the Public Improvements is available to the City, for
28 the reasons set forth in Section 2 below.

2. **Sections 33445 and 33445.1 Finding and Determinations.**

A. In accordance with the requirements of Health and Safety Code Section 33445, the City Council hereby finds, determines and declares that:

(i) That the acquisition of land or the installation or construction of the Public Improvements are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for low- or moderate-income persons, by: (1) providing modern, essential public facilities and essential public infrastructure, specifically the Public Improvements described in Exhibit A to the Cooperation Agreement, and enhanced public facilities and services that will benefit the Project Area and surrounding neighborhoods, as identified in the Redevelopment Plan; (2) promoting the preservation and enhancement of the residential areas within the Project Area in accordance with the goals and objectives of the Redevelopment Plan; (3) promoting the expansion of the Project Area's commercial base and local employment opportunities in accordance with the goals and objectives of the Redevelopment Plan; (4) encouraging the development of additional commercial development and services within the Project Area; (5) upgrading the physical appearance of the Project Area; (6) encouraging investment in the Project Area by the private sector; and (7) supporting the construction of affordable housing within the community.

(ii) That no other reasonable means of financing the Public Improvements is available to the community. The prudent budget constraints of the City prevent the City from financing the proposed construction of the Public Improvements by any other means. Insufficient moneys of the City are currently available to pay for the cost of designing, constructing and equipping the Public Improvements. Traditional methods of financing the construction of the Public Improvements, such as the issuance of general obligation bonds, are unavailable as a practical matter because of the extraordinary majority voter approval requirements of two-thirds of the electorate. Additionally, other financing mechanisms are either

1 unavailable due to practical or legal constraints or are committed to the development of other
2 required public improvements within the City. The City's General Fund is committed to
3 providing other essential public services and facilities and is not available to pay for the Public
4 Improvements.

5
6 (iii) That the payment of funds for the acquisition of land or the installation or
7 construction of the Public Improvements is consistent with the Agency's Implementation Plan,
8 which provides for the following goals, objectives, projects and improvements within and
9 benefiting the Project Area:

10
11 (a) Encouraging commercial development on various sites, including
12 the Fire Station 202 Site, the Gateway Commercial Site, Pepper Avenue, and Renaissance Rialto
13 among others. These commercial developments will be facilitated by constructing public
14 improvements, including the Riverside/I-10 interchange (Phases I/II), the Pepper Avenue
15 Extension, and related improvements to produce finished sites.

16
17 (b) Create or retain jobs, by encouraging commercial and industrial
18 development on various sites including Baseline/Linden, Baseline/Locust, the Walnut Avenue
19 Industrial Park Project, the Ayala Industrial Park, the Eco-Industrial Park, and Renaissance
20 Rialto. All of these projects will require substantial public improvements, including regional
21 drainage infrastructure.

22
23 (c) Revitalize Downtown Rialto by developing the KDF Mixed Use
24 Project, completing the Metrolink Parking Expansion, reconstructing Trickleside Alley, and
25 rehabilitating commercial structures.

1 (d) Revitalizing Foothill Boulevard, by constructing public
2 improvements to support intensified commercial and residential development and incentivizing
3 private property owners to develop or rehabilitate their properties.

4
5 (e) Redeveloping the Rialto Municipal Airport, by relocating
6 displaced tenants, demolishing the existing structures, remediating environmental contamination,
7 and constructing public improvements to support the Renaissance Rialto Specific Plan.

8
9 (f) Constructing various quality of life infrastructure, including
10 Fergusson Park Improvements, Fire Station 202, Library Expansion, and Rails to Trails.

11
12 (g) Developing affordable housing projects, including the TELACU 2,
13 TELACU 3, KDF Crossroads, Citrus Grove Phase II, and West Jackson Street projects.

14
15 Specifically, the payment of funds for the acquisition of land and
16 installation and construction of the Public Improvements is consistent with the Agency's
17 Implementation Plan by: (1) providing for the construction of the Public Improvements that are
18 contemplated in the Implementation Plan; (2) providing essential, modern public infrastructure
19 improvements and community facilities; (3) encouraging employment opportunities through
20 environmental and economic improvements resulting from the construction of the Public
21 Improvements and the resulting third party redevelopment activities in the community,
22 (4) encouraging private investment in the Project Area by providing adequate public
23 infrastructure, facilities and services, (5) by supporting the development of housing for low and
24 moderate income persons through providing needed infrastructure improvements in the
25 community, and (6) supporting viable commercial and retail uses that will provide necessary
26 commercial services and create new job opportunities for low and moderate income persons, as
27 well as provide new tax revenues for the City to provide essential services.

1 **B.** In accordance with the requirements of Health and Safety Code Section 33445.1,
2 the City Council hereby finds, determines and declares that:

3
4 (i) The acquisition of the land or the installation or construction of the Public
5 Improvements are of primary benefit to the Project Area. The Public Improvements include road
6 improvements, traffic signals, hazardous materials remediation projects, water facilities
7 including water lines and reservoirs, storm drain improvements, flood control improvements,
8 public parking facilities, relocation and undergrounding of utilities, and open space
9 improvements, all of which will serve and benefit the residents and businesses located in the
10 Project Area.

11
12 (ii) The acquisition of the land or the installation or construction of the Public
13 Improvements benefits the Project Area by helping to eliminate blight within the Project Area,
14 and will directly assist in the provision of housing for low- or moderate-income persons by:
15 (1) providing modern, essential public facilities and essential public infrastructure, specifically
16 the Public Improvements described in Exhibit A to the Cooperation Agreement, and enhanced
17 public facilities and services that will benefit the Project Area and surrounding neighborhoods, as
18 identified in the Redevelopment Plan; (2) promoting the preservation and enhancement of the
19 residential areas within the Project Area in accordance with the goals and objectives of the
20 Redevelopment Plan; (3) promoting the expansion of the Project Area's commercial base and
21 local employment opportunities in accordance with the goals and objectives of the
22 Redevelopment Plan; (4) encouraging the development of additional commercial development
23 and services within the Project Area; (5) upgrading the physical appearance of the Project Area;
24 (6) encouraging investment in the Project Area by the private sector; and (7) supporting the
25 construction of affordable housing within the community.

26
27 (iii) No other reasonable means of financing the acquisition of the land or the
28 installation or construction of the Public Improvements are available to the community,

1 including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds,
2 or bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5
3 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code). In
4 determining whether other means of financing are feasible, the legislative body may take into
5 account any relevant factors, including, but not limited to:

6
7 (A) Legal factors, such as the eligibility of the Public Improvements for
8 funding under the governing statutes.

9
10 (B) Economic factors, such as prevailing interest rates and market
11 conditions.

12
13 (C) Political factors, such as the priority of commitments of other public
14 funding sources, the ability or willingness of property owners or taxpayers to bear the cost of any
15 special assessments, taxes, or other charges, and the likelihood of obtaining voter approval, if
16 required.

17
18 This finding is supported by the following facts: The City does not have
19 sufficient funds available within its various development impact fee accounts, including Park
20 Development, Fire Development, Police Development, Local Drainage, General Facilities,
21 Sewer Collection/Capacity, Water Distribution, and Transportation Facilities Fee Account or the
22 General Fund to pay for the construction of the Public Improvements at this time and the City
23 does not anticipate having sufficient funds to complete the Public Improvements in the
24 foreseeable future. Given the current economic climate and service demands, it is not feasible
25 for the City to allocate General Funds for the Public Improvements. The City is unlikely to be
26 able to issue bonds for the Public Improvements, due to the extraordinary majority voter
27 approval requirements of two-thirds of the electorate; in the current economic and political
28 climate a ballot measure for approval of bonds to fund the Public Improvements is unlikely to be

1 successful due to the public's negative perception of municipal debt and inability to shoulder a
2 higher tax burden. As such, the only feasible method available to the City is for the Agency to
3 fund the largest share of the cost to construct and install the Public Improvements.

4
5 **3. Approval of Cooperation Agreement with the Agency.** The City Council hereby
6 approves the Cooperation and Public Improvements Agreement by and between the City of
7 Rialto and the Redevelopment Agency of the City of Rialto which provides for the acquisition of
8 land for and the construction and installation of the Public Improvements in the City and
9 Agency's payment of the Agency Amount to City, in substantially the form attached hereto as
10 Attachment No. 1, with such changes as may be mutually agreed upon by the respective
11 administrators of the parties. The City Administrator and/or the Mayor are hereby authorized to
12 execute the Cooperation Agreement on behalf of the City. A copy of the final Cooperation
13 Agreement when fully executed shall be placed on file in the Office of the City Clerk.

14
15 **4. City Administrator's Authority.** The City Administrator (or his designee), is hereby
16 authorized, on behalf of the City, to take all actions necessary and appropriate to carry out and
17 implement the Cooperation Agreement and to administer the City's obligations, responsibilities
18 and duties to be performed under the Cooperation Agreement.

19
20 **5. Environmental Assessment.** The City Council's approval of the Cooperation
21 Agreement is not a "project" within the meaning of the California Environmental Quality Act,
22 Public Resources Code Section 21000, *et seq.* and the implementing regulations set forth at
23 Title 14, Cal. Code Regs. Section 15000, *et seq.* ("CEQA"), pursuant to Title 14 Cal. Code Regs.
24 Section 15378(b)(4), because the Cooperation Agreement constitutes a government fiscal
25 activity that does not involve any commitment to any specific project which may result in a
26 potentially significant physical impact on the environment. Prior to approving any specific
27 portion of the Public Improvements, the City will evaluate such project in accordance with all
28 applicable requirements of CEQA.

6. **Certification.** The City Clerk shall certify the adoption of this Resolution.

PASSED APPROVED AND ADOPTED this ____ day of _____, 2011.

GRACE VARGAS, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

By: Jimmy L. Gutierrez
City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Resolution No. ____ was duly passed and adopted at a regular meeting of the City Council of the
6 City of Rialto held on the ____ day of _____, 2011.

7
8 Upon motion of Council Member _____, seconded by Council Member
9 _____, the foregoing Resolution No. ____ was duly passed and adopted.

10
11 Vote on the motion:

12 AYES:

13 NOES:

14 ABSENT:

15
16 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the
17 City of Rialto this ____ day of _____, 2011.

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19 _____
20 BARBARA McGEE, City Clerk
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1 **ATTACHMENT NO. 1 TO THE RESOLUTION**
2 **COOPERATION AND PUBLIC IMPROVEMENTS AGREEMENT**
3 **[To be attached.]**